



U.S. DEPARTMENT OF ENERGY
Office of Electricity Delivery and Energy Reliability
Infrastructure Security and Energy Restoration

ENERGY ASSURANCE DAILY

Monday, January 08, 2007

Electricity

Wind Storm Knocks Out Power to 216,000 Customers in Southern California January 5

A powerful wind storm moved across Southern California on Friday morning, knocking out electricity to about 190,000 Southern California Edison (SCE) customers and 26,000 Los Angeles Department of Water and Light (LADWP) customers. As of midday Saturday, 300 SCE customers and 3,000 LADWP customers remained without power.

<http://www.latimes.com/news/local/la-010607wind.0.4166410.story?coll=la-home-headlines>

<http://www.mercurynews.com/mld/mercurynews/news/local/16397904.htm>

Wind Storms Knock Out Power to About 190,000 Customers in Pacific Northwest Over Weekend

Powerful windstorms swept across the Pacific Northwest over the weekend, knocking out power to about 150,000 customers in Western Washington State, including 105,000 Snohomish County PUD customers, 34,000 Puget Sound Energy customers, and 10,000 Avista Utilities customers. In Eastern Washington, the storms knocked out power to 15,000 Chelan County PUD customers and about 3,000 Pacific Power Customers. In Vancouver, storms knocked out power to about 24,000 B.C. Hydro customers. As of this morning, fewer than 100 Snohomish County PUD customers remained without electricity. As of Saturday afternoon, about 6,700 Puget Sound Energy customers remained without power.

http://seattlepi.nwsource.com/local/6420AP_WA_Wash_Storms.html

http://heraldnet.com/stories/07/01/08/100loc_b8wind001.cfm

<http://www.spokesmanreview.com/idaho/story.asp?ID=167881>

Update: 10,000 NPPD Customers Remain Without Power in Nebraska January 8

The Nebraska Public Power District (NPPD) estimates that about 10,000 customers remain without power in its service territory in Nebraska this morning, down from over 11,000 customers on Friday. High wind advisories throughout the affected areas are expected to hinder efforts at fixing the fragile grid early this week.

<http://www.nebraska.tv/news/local/5117361.html>

Update: About 8,000 Customers Remain Without Power in Kansas January 8

According to Kansas Electric Cooperatives Inc., as of Monday morning, 8,220 customers of rural electric cooperatives remain without power in Kansas. Only 40 Aquila Inc. customers remain without power. Kansas state officials say it could be up to two weeks before all service is restored. At the peak of the storms that swept the state on December 28-31, more than 20,000 Aquila Inc. customers and 46,300 customers of nine rural electric cooperatives were without power.

http://www.usatoday.com/news/nation/2007-01-08-kansas-disaster_x.htm

Con Edison Announces New Vegetation Management Program in New York

Consolidated Edison is initiating a three-year, enhanced tree-trimming program aimed at preventing storm-related power outages throughout Westchester County. The company estimates that the new program could lead to a 20 percent reduction in the number of outages experienced during major storms. The new initiative follows a recent string of outages triggered by overgrown trees. In September, tropical storm Ernesto caused 76,000 customer power outages in Westchester County.

http://uaelp.pennnet.com/display_article/281232/22/ARTCL/none/none/Con-Edison-announces-new-vegetation-management-program/

Calpine to Build New 600 MW Natural Gas-fired Power Plant in California

The company said it was ready to begin construction on the new Russell City Energy Center which will supply power to the Bay area. Calpine said that construction is expected to be completed by spring 2008.

<http://www.upi.com/Energy/view.php?StoryID=20070105-050007-8821r>

AEP's 585 MW Muskingum River Unit 5 in Ohio Trips Offline After Explosion January 8

The unit tripped offline after an explosion at the plant. The blast occurred while hydrogen was being delivered to the plant by truck. The driver of the truck was killed in the incident.

Reuters, 13:01 January 8, 2007

Update: Dominion's 925 MW North Anna Nuke Unit 1 in Virginia Back at Full Power January 8

The unit, which was running at 60 percent of capacity on Friday, ramped up to full power today. The unit shut on January 3 due to an electrical failure that reduced the flow of feedwater to the steam generators.

Reuters, 07:09 January 8, 2007

Update: TXU's 750 MW Martin Lake Coal-fired Unit in Texas Restarts January 8

On December 11 a fire and explosion damaged the transformer, shutting unit 2. The unit remained shut for four weeks to install a new main transformer.

Reuters, 11:58 January 8, 2007

AEP's 528 MW Welsh Coal-fired Unit 1 in Texas Shut January 6-8

The company shut the unit to fix a steam leak.

Reuters, 07:47 January 8, 2007

Delta's 240 MW Crockett Gas-fired Unit in California Shut January 7

Reuters, 07:47 January 8, 2007

Complete's 260 MW La Paloma Gas-fired Unit 4 in California Shut January 7

Reuters, 07:47 January 8, 2007

CDWR's 225 MW Pine Flat Hydro Unit in California Shut January 7

Reuters, 07:47 January 8, 2007

Mirant's 682 MW Pittsburg Gas-fired Unit 7 in California Shut January 7

Reuters, 07:47 January 8, 2007

ATCO's 368 MW Battle River Coal-fired Unit 5 in Alberta Shut January 8

Reuters, 07:47 January 8, 2007

Petroleum

ConocoPhillips Restarts Aromatics Unit 35 at 247,000 b/d Refinery in Sweeny, Texas

The unit shutdown on Friday after a power outage caused by a failure of an oil change in the main transformer.

Reuters, 07:39 January 8, 2007

Delek Restarts Two SRUs at 60,000 b/d Refinery in Tyler, Texas January 7

The two units were shut by a thunderstorm at 1:35 a.m. and were restarted by 11:43 a.m.

Reuters, 07:29 January 8, 2007

Suncor's 20,000 b/d Diesel Hydrotreating Unit at Refinery in Commerce City, Colorado Back to 100 Percent January 5

The unit was taken offline on December 15 and was running at about 50 percent capacity from December 27 until January 5.

Reuters, 16:52 January 5, 2007

Compressor Problem Causes Flaring at Shell's 100,000 b/d Wilmington, California Refinery January 8

According to a Shell spokeswoman, everything is operating normally despite the problem at the refinery.
Bloomberg News, 13:48 January 8, 2007

100 to 300 Barrels of Crude Oil Spills from Storage Tank Near Mobile, Alabama

The spill from the Alabama Bulk Terminal Company tank occurred on January 7. The tank is being emptied while the cause of the leak is being studied.
Reuters, 11:48 January 8, 2007

Oil Tanker and Support Vessel Collide in Galveston, Texas

The January 5th collision did not release any oil and did not result in any shipping delays.
Reuters, 09:40 January 8, 2007

Belarus Blocks Transit of Russian Oil to Poland, Germany

Belarus has stopped flows on the 2,500-mile long, 1.2 million b/d Druzhba pipeline that runs from Russia through Belarus to Poland and Germany. The pipeline, which transports about one fifth of Russian oil exports, normally runs at or near full capacity. However, European Union energy chief Andris Piebalgs said the cuts pose "no immediate risk" to energy supplies in the EU because Polish and German refiners have adequate stocks to weather a short-term supply disruption. Piebalgs has not yet determined if Slovakia and countries in southeastern Europe have been affected by the shutdown. Piebalgs is considering convening the Oil Supply Group later this week to evaluate the impact of the situation and the possibility that EU's 27 members may have to draw on strategic stocks. News of the disruption to supplies was a key factor helping to drive oil prices closer to the \$57-a-barrel mark on Monday after falling to around the \$55 level last week.

<http://www.topix.net/content/ap/3330376546396070280917712821833998031272?threadid=5K5USPKLCVDCNBAA>

<http://www.bloomberg.com/apps/news?pid=20601100&sid=aHc0c6dAGFig&refer=germany>

<http://news.bbc.co.uk/1/hi/business/6240473.stm>

Iraq's Northern Export Pipeline Reopens

Gulfoilandgas.com reports Iraqi officials saying that the pipeline that pumps crude oil from Kirkuk, Iraq to the Turkish port of Ceyhan reopened last Monday and pumped 150,000 barrels. Operations on the northern pipeline have been intermittent since the U.S.-led Iraq War began in 2003. Iraq's oil minister said late last month that construction on another pipeline will be completed soon to help shoulder the burden of transporting oil from northern Iraq.

<http://www.earthtimes.org/articles/show/18007.html#>

BTC Crude Oil Pipeline from Caspian Subject to Potential Leaks - Expert

According to an expert quoted by Bloomberg News, BP's new 1 million b/d Baku-Tbilisi-Ceyhan Pipeline that pumps crude oil from the Caspian Sea to Mediterranean Sea has a built-in flaw: a coating paint on the buried pipeline's welds is subject to cracking and could allow corrosion that may result in leaks. Even before the pipeline began pumping oil, the coating had already cracked once in 2003, causing construction delays and contributing to a cost overrun of almost \$1 billion.

Bloomberg News, 21:00 January 7, 2007

Nexen Achieves First Oil From Buzzard Field in U.K. North Sea

The company said that oil began flowing at the field which contains an estimated 550 million barrels of oil equivalent in gross recoverable reserves. Nexen expects to reach peak production of 200,000 b/d during the first half of this year.

<http://www.oilweek.com/news.asp?ID=6881>

Chavez Says Orinoco Oil Belt Projects in Venezuela Should be Nationalized

Venezuealan President Hugo Chavez announced plans Monday to nationalize the country's electrical and telecommunications sector. He also said that the lucrative oil projects in the Orinoco River basin involving foreign oil companies should be under national ownership, though he did not spell out if that meant a complete nationalization, or under what terms for companies that have been viewed as investing partners by his government.

<http://www.chron.com/dispatch/story.mpl/ap/world/4455252.html>

Natural Gas

Natural Gas Smell Throughout Manhattan and Parts of New Jersey

Mayor Bloomberg assured New Yorkers that there was nothing to worry about and said that there were no abnormal readings of natural gas from sensors within the city. Some NY-New Jersey Path commuter trains were halted for a short time to ensure that the smell was not an indication of a dangerous gas leak. The mysterious odor reportedly sickened seven people in New Jersey.

Reuters, 09:56, 10:49, 13:47, 14:47 January 8, 2008

Northeast Storage Operators Forcing Customers to Withdraw Natural Gas

Natural Gas Week reports that large operators of natural gas storage, particularly ones located in the Northeast, started setting off warning alarms of potential storage integrity issues last week and serving notice that customers will have to begin to take minimums out of storage or else be penalized.

Natural Gas Week, January 8, 2007

Federal Regulators Recommending New Security Measures at LNG Terminals

The U.S. Pipeline and Hazardous Materials Administration (PHMSA) is recommending regulations requiring security systems to deter intruders at liquefied natural gas (LNG) import terminals in the United States. In addition, a PHMSA advisory released Friday says that operation must be tested to "verify that alarms work and that monitoring devices function as intended," and that surprise testing should be conducted. The advisory also says that personnel should be trained on security procedures, which should be updated and incorporated with the most relevant threat information.

<http://washingtontimes.com/national/20070102-111004-4755r.htm>

Joint Venture Begins Construction on Golden Pass LNG Import Terminal in Texas

Construction work has commenced on the 2 Bcf/d Golden Pass LNG receiving and regasification terminal near Sabine Pass in Texas. The terminal will include two ship unloading berths, five LNG storage tanks, regasification facilities and a transmission line connecting the terminal to the existing pipeline infrastructure. The terminal is expected to be operational in 2009 and fully completed in 2010. The terminal will receive LNG supplies by tanker from Qatar.

http://www.gulf-times.com/site/topics/article.asp?cu_no=2&item_no=126149&version=1&template_id=48&parent_id=28

Other News

Cargill Announces its Subsidiary Will Build Four Ethanol Plants in Midwest

On Monday, January 8, 2007, Cargill announced that its subsidiary, Emerald renewable Energy plans to build four new ethanol plants in the Midwest with each having a capacity to produce 100 million gallons of ethanol per year. Reuters, 12:23 January 8, 2007

Energy Prices

U.S. Oil and Gas Prices January 8, 2007			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	56.08	60.85	64.21
NATURAL GAS Henry Hub \$/Million Btu	6.02	5.50	9.30

Source: Reuters

U.K. Considering Using Troops to Protect Oil and Gas Terminals After Newspaper Reports Al-Qaeda Threats

<http://news.bbc.co.uk/1/hi/uk/6238517.stm>

Militant Leader Vows a ‘More Ruthless’ Set of Attacks Against Oil Infrastructure and Workers in Nigeria

http://blogs.abcnews.com/theblotter/2007/01/nigerian_terror.html

Imperial Oil Not Certain When Fire-Damaged 121,000 b/d Sarnia Refinery in Ontario Will Return to Full Production

Oil Daily January 8, 2007

Small Fire Erupts in Magellan Pipeline Co.’s Empty 1.5 Million Gallon Gasoline Storage Tank in Missouri

<http://www.news-leader.com/apps/pbcs.dll/article?AID=/20070103/BREAKING01/70103028>

Drilling Slowdown, Rising Consumption Cut Canadian Natural Gas Exports to U.S.

<http://powermarketers.net/contentinc.net/newsreader.asp?ppa=8kowu%5D%5BkorvuuwYSig%7D38%7Dbfem%5Ev>

FERC Upholds Approval for Cove Point LNG Expansion in Maryland

<http://intelligencepress.com/>

OPEC Members Holding Consultations on Possibly Further Cutting Production Amid Recent Oil Price Drop

http://za.today.reuters.com/news/newsArticle.aspx?type=businessNews&storyID=2007-01-08T125956Z_01_BAN837006_RTRIDST_0_OZABS-OIL-OPEC-DELEGATE-20070108.XML

India to Begin Construction of 37 Million Barrel Strategic Oil Reserve by April

http://www.energyintel.com/PublicationHomePage.asp?publication_id=31

GM Unveils Concept Electric Vehicle – Chevrolet Volt Battery Technology Could be Ready by 2010

Reuters, 00:09 January 7, 2007

Links

This Week in Petroleum from the Energy Information Administration (EIA)

<http://tonto.eia.doe.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

Weekly Petroleum Status Report from EIA

http://www.eia.doe.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html

Updated after 10:30 AM & 1:00 PM EST every Wednesday.

Natural Gas Weekly Update from EIA

<http://tonto.eia.doe.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM EST every Thursday.

ENERGY ASSURANCE DAILY

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<http://www.oe.netl.doe.gov/index.aspx>.

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